

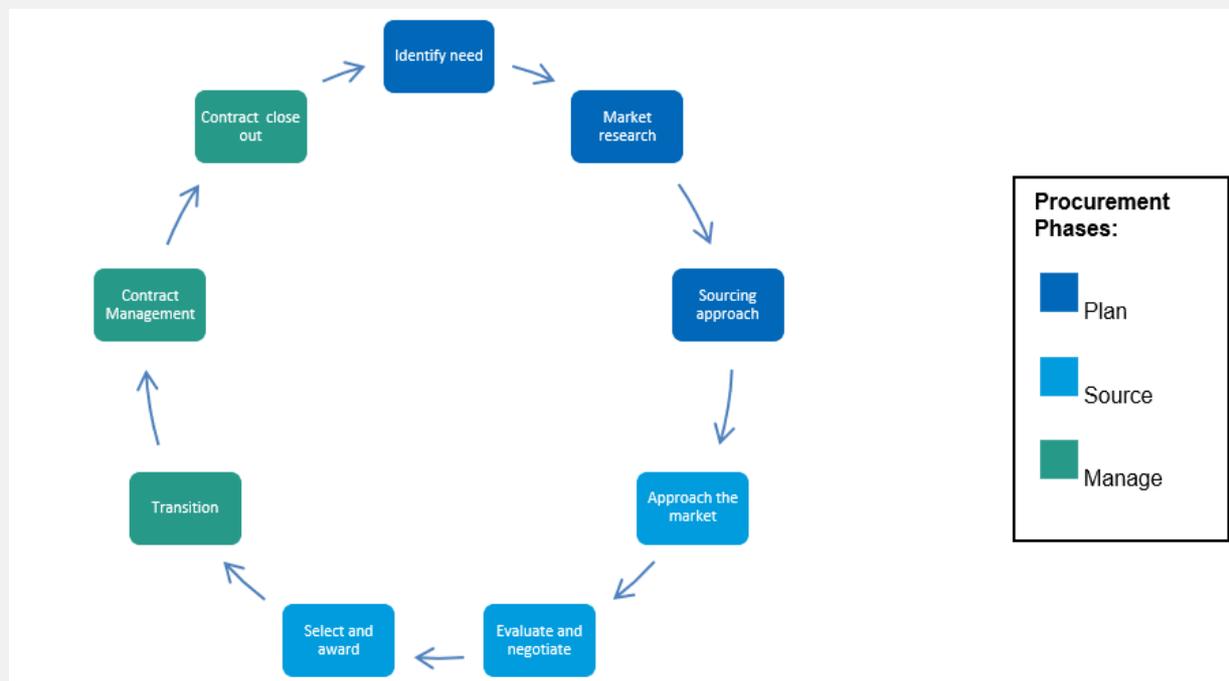


Contract Management Manual

Introduction

Understanding where you are up to in the stages of the Procurement Lifecycle

Remember the Procurement lifecycle in the Procurement Policy? This Contract Management Manual relates to the **'Managing'** components of the Procurement lifecycle. 'Managing' is the final phase in the lifecycle after 'Planning' and 'Sourcing' activities have already been completed.



Scope of the Contract Management Manual

The **Contract Management Manual** provides standardised guidance to all Ahpra staff involved in contract management activities to assist with the execution of responsibilities in accordance with the Procurement Policy. It provides a clear and standardised approach to managing and administering contracts for goods and services purchased from suppliers.

How to read the Contract Management Manual

To support ease of understanding and navigation, the Manual follows a standardised structure. Each section contains:

- A 'Definition' box (grey) – to define the relevant contract management phase
- A 'Tools and templates' box (blue) – a list of the resources you will need for that phase
- General guidance (text) – advice and explanation
- An 'Important!' box (red) – important items that ensure you are managing risks effectively every step of the way.
- A 'Summary of Requirements' table (green) – during the 'Plan' phase of the procurement process a risk complexity assessment was undertaken to determine whether the procurement was rated Strategic, Focused, Leveraged or Transactional. This rating also determines the required key activities within each contract management phase.

Adherence to the Contract Management Manual supports Ahpra's governance of expenditure and helps us obtain best value from procurement contracts. The **Appendix A** Contract Management phase - checklists should be used to ensure adherence to the Contract Management Manual.

Contract management is important

Written procurement contracts help manage risks by clearly formalising the rights and obligations for provision of goods and services. When these risks are poorly managed, they can result in the overpayment of goods and services, miscommunication / misaligned goals and inadequate protections for high priority assets (e.g. intellectual property which may damage the National Scheme's reputation). Ahpra takes these risks seriously and expects all staff involved in contract management to be aware of their responsibilities and manage them appropriately on behalf of the National Scheme.

In order to promote operational efficiency, capitalise on opportunities, leverage economies of scale and mitigate risks, it is important that business units involved in contract management activities have a strong understanding of both the Procurement Policy and Contract Management Manual.

Compliance with the Contract Management Manual is mandated by the Procurement Policy. Non-compliance with the Manual will be managed in accordance with Ahpra's Code of Conduct.

Contract Management System

Ahpra uses a Contract Management System for contract management. All steps required to comply with this manual are to be completed on the Contract Management System.

Quick Links:

1. [Transition](#)
2. [Contract Management](#)
3. [Contract Close](#)

1. Transition

Definition

Transition is the period between contract execution and commencement of the contract. The transition period is important for ensuring both Ahpra and the supplier are clear on the obligations outlined in the contract and how performance will be assessed.

This early review of obligations and performance outlined in the contract and the contract commencement / initiation meeting are important to effective contract performance and ensuring value for money outcomes that support the National Scheme's financial objectives.

Tools and templates

Resources you will require for the transition phase:

- Procurement Policy (Contract Management RACI matrix)
- Contract Establishment Checklist (activities outlined in the transition phase on the contract management system)
- Unit4 New Supplier Creation Manual
- Contract Management System Quick Reference Cards
- Contract Meeting Decisions & Actions template (available on the contract management system)
- Contract Commencement Meeting Agenda template (available on the contract management system)

General guidance

The contract transition phase encompasses seven key activities:

1. Confirmation of contract management roles
2. Finalisation of the contract management plan
3. Contract establishment
4. Creation of new supplier (or update of existing supplier)
5. Finalisation of the contract implementation plan
6. Setting up the information structure
7. Conducting contract commencement meetings

1 - Confirmation of contract management roles

At Appendix B of the Procurement Policy, a Contract Management RACI matrix has been developed that outlines who should be involved in contract management and the nature of their responsibilities.

Contract roles are assigned by the Contract Owner (who is the appropriate financial delegate).

Below is an overview of the core functions and performance criteria for each of the key contract management roles.

Roles	Definition	Key Performance Criteria
Contract owner (CO)	Person accountable for the budget/cost centre that funds the contract (Financial Delegate)	Ensure contracts are compliant with Ahpra's Procurement Policy and procedures before approval
	Employee with delegation to approve contract payments and variations	Oversee the contracts throughout the management lifecycle and provide constructive feedback
	Appoint business unit contract management roles	Make executive decisions on contract management issues in a timely manner
Contract manager (CM)	Manage contracts through post-award lifecycle as the single point of contact for suppliers on all contract matters	Ensure contracts are actively managed in accordance with agreed contract management plan
	Monitor contract performance and compliance	Close monitoring of supplier and customer obligations to ensure contract value is protected through all obligations being met by the supplier and that there are no relief events created in favour of the supplier
	Recommended to be a representative within the business unit with the relevant commercial skills	Ensuring that supplier and contract management activities are aligned with procurement objectives and strategies that can help promote long term business objectives as well as promote a consistent and clear narrative (internally and externally)
Contract management lead (CML)	Subject matter expert.	Under procurement's guidance, ensure all of the assigned tasks and responsibilities are fulfilled in managing the contracts and all obligations are met by suppliers
	This role will be consulted by the Contract Manager to assist them to manage the contract.	Ensure all the contract risk events are properly managed in a timely manner
*Contract administrator (CA)	Perform administrative activities over the contract management lifecycle (e.g.	Proactively provide contract administrative support to Contract Managers

	information management, cost control, etc.)	
	Recommended to be a representative from the procurement team (local, regional or state-wide)	Ensure all the assigned contract management activities are completed in accordance with contract management plans

IMPORTANT!

When the Contract Owner is assigning roles, they must have regard to the following:

- Does the Contract Manager have suitable skills, experience and authority to effectively manage the contract (reducing Ahpra's risk exposure)?
- Have they ensured that all key staff involved in the management of the contract are aware of their role responsibilities and performance criteria that apply?
- Is the Contract Manager capable of prioritising contract management activities to properly monitor contract performance and delivery of goods and services to the required standard?
- Do the Contract Manager and Contract Administrator have any private interests or relationships that may give rise to a perceived or actual conflict of interest?
- Has the Contract Manager been given a contract establishment checklist by the sourcing lead (if appointed) and been informed of all required tasks before the contract commences?

2 - Finalisation of the contract management plan

There are 10 essential features of a good Contract Management Plan. These are represented in the table below. Review your Contract Management Plan and confirm that it contains the following information shown in the table below.

Contract Management Plan features	Description
1. Key contacts	<ul style="list-style-type: none"> • Ahpra contacts with a role in contract management • Supplier contacts
2. Governance and responsibilities	<ul style="list-style-type: none"> • Record when and how Ahpra staff and suppliers have been made aware of their roles and responsibilities
3. Contract management strategies	<ul style="list-style-type: none"> • Mechanisms for dealing with potential disputes, variations, risks and remedies have been clearly identified so that no party is in doubt about how these will be handled • Mechanisms for processing payments and confirming invoices are aligned to contract pricing and deliverables as well as ensuring the contract value does not increase over Contract Owner delegation • Articulation of standard Contract Management activities
4. Performance management	<ul style="list-style-type: none"> • Clear targets / KPIs / SLAs have been stipulated (per contract initiation and sourcing phase)
5. Key dates	<ul style="list-style-type: none"> • Dates and milestones have been clearly stated.
6. Risk management	<ul style="list-style-type: none"> • Risks have been clearly identified, and mitigation strategies documented
7. Privacy Impact Assessment	<ul style="list-style-type: none"> • Where the contract involves the collection and / or handling of personal, health or protected information, there are mechanisms in the Contract Management Plan that have been included for on-going tracking of all Privacy Impact Assessments

8. Communications / reporting	<ul style="list-style-type: none"> The frequency and location of supplier meetings and reports that will be generated on targets / KPIs / SLAs have been established
9. Contract delivery requirements	<ul style="list-style-type: none"> It has been made clear that the contract will not commence until all required documents (including bank guarantees and insurances) have been provided by the supplier and ensuring updated documents are requested and provided during contract life cycle
10. Record management	<ul style="list-style-type: none"> Documents relating to contract management activities will be stored in accordance with Ahpra's Procurement Policy.

Once completed and it is confirmed that the Contract Management Plan contains all 10 features, submit the plan to Procurement to be reviewed and uploaded to Ahpra's Contract Management System.

3 - Contract establishment

A Contract Establishment Checklist is the list of activities required to be completed on the contract management system under the Transition Phase.

It provides evidence that a number of important obligations have been fulfilled and represents an assurance to Ahpra's management that contracts are being well managed on behalf of the National Scheme.

4 - Creation of new supplier (or update existing supplier)

A 'new supplier' needs to be created in Unit4 and a purchase order raised by the Contract Manager.

It is the responsibility of the Contract Manager to ensure the details of the supplier information are up to date.

5 - Finalisation of the Contract Implementation Plan

Where a Contract Implementation Plan is required (**highly recommended** for 'Focused' and 'Strategic' contracts), the Contract Manager should use the Contract Implementation Plan to document the approach and process that will be followed to implement the contract.

6 - Setting up the information structure

The Contract Manager must save and maintain documentation to support effective and efficient contract monitoring. As part of this activity, appropriate security controls must be implemented to protect the information and maintain confidentiality.

Required documentation:

- Signed contract
- Bank guarantee (if applicable)
- Insurance certificates (if applicable)
- Scope of work (if separate to the signed contract)
- Proposal / tender response
- Tender documents issued by Ahpra
- Contract Management plan (where applicable)
- Correspondence with the Supplier
- Agendas and Decisions and Actions arising out of contract management meetings
- Financial management e.g. invoices, purchase orders

7 - Conducting your contract commencement meeting

The Contract Manager should organise a commencement meeting as soon as possible after the contract has been awarded.

Some contracts will not warrant having a commencement meeting if the contracts are routine in nature. If there is any doubt about what constitutes a routine contract, please contact the Contract Management Lead for advice.

The Contract Manager and the supplier's representative must attend the commencement meeting. Key stakeholders may also be asked to attend.

At the meeting the following outcomes should be achieved:

- Agreement by all parties to contract expectations and objectives
- Agreement of the contract governance arrangements (communication, reporting, delegation of authorities, performance, escalation pathways).

The Contract Manager is responsible for conducting the commencement meeting, taking Decisions & Actions and distributing papers to meeting attendees.

Transition Phase Summary of Requirements

Transition Phase		Transactional Contract	Leveraged Contract	Focused Contract	Strategic Contract
1.	Confirm Contract Management roles	Required	Required	Required	Required
2.	Finalise Contract Management Plan	Not required	Recommended	Required	Required
3.	Contract establishment	Required	Required	Required	Required
4.	Creation of new supplier (or update existing supplier)	Required	Required	Required	Required
5.	Finalisation of the Contract Implementation Plan	Not required	Not required	Strongly Recommended	Strongly Recommended
6.	Setting up the information structure	Required	Required	Required	Required
7.	Conducting your contract commencement meeting	Not required	Recommended	Strongly Recommended	Strongly Recommended

2. Contract Management

Definition

Contract management is a discipline that supports commercial management through the preparation, negotiation, implementation and oversight of legally enforceable performance commitments and risk positions.

Effective contract management requires proactive relationship management with suppliers and regular monitoring of contract performance against agreed targets, KPIs and SLAs by the nominated Contract Manager.

Tools and templates

Resources you will require for the contract management phase

- Access to the contract KPIs/SLAs
- Contract Meeting Agenda (template available on the contract management system)
- Previous meeting Decisions & Actions
- Contract Variation Form (if required to be completed on the contract management system)
- Contract Handover Checklist (template on the contract management system)

General guidance

The contract management phase encompasses 5 key activities:

1. Building and maintaining supplier relationships
2. Managing contract performance
3. Contract administration
4. Risk Management
5. Managing contract variations

1 - Building and maintaining supplier relationships

One of the most important elements in successfully managing a contract is building and maintaining an effective professional working relationship with your supplier. A successful working relationship will allow you to achieve your contract outcomes more easily, identify and resolve problems before they escalate and discuss feedback in an open and constructive way.

A successful working relationship with your supplier can be achieved by:

- Using open, clear and honest communication to build trust
- Taking time to understand each party's objectives, strategy and point of view
- Demonstrating a commitment to maintaining a collaborative approach to achieve contract deliverables.

IMPORTANT!

To establish a successful supplier relationship the Contract Manager must:

- understand his/her own role and have clear visibility of the roles and responsibilities on the supplier side
- establish shared understanding of the contract with the supplier through a contract start up meeting/workshop
- set up communication routes with the supplier (both structured and informal)
- Set up well defined problem resolution processes with the supplier to ensure minor problems do not escalate and cause irrevocable damage to an important relationship.

2 - Managing contract performance

Managing contract performance helps the National Scheme obtain value for money from a contract, while managing risks. The KPIs and SLAs to be measured and other obligations assigned to parties should have been clearly articulated in the terms and conditions of the contract (whether a standard contract or adapted contract are used).

Sections 2a – 2e provide general guidance on how the Contract Manager can monitor and ensure compliance with the contract terms and conditions.

2a) meetings

To monitor contract performance, Procurement recommends the following meeting schedule depending on the type of contract.

	Transactional contracts	Leveraged / Focused contracts	Strategic Contracts
Establish contract monitoring process	Optional	Required	Required

Key stakeholders	<ul style="list-style-type: none"> • Key users • Supplier 	<ul style="list-style-type: none"> • Contract owner • Supplier • Contract users 	<ul style="list-style-type: none"> • Contract owner • Supplier • Contract users
Frequency of formal review meetings	<ul style="list-style-type: none"> • Optional 	<ul style="list-style-type: none"> • Required 6 months or annually 	<ul style="list-style-type: none"> • Required quarterly or every 6 months
Frequency of informal meetings	<ul style="list-style-type: none"> • As required 	<ul style="list-style-type: none"> • Recommended monthly or quarterly (as required) 	<ul style="list-style-type: none"> • Recommended monthly or quarterly (as required)

2b) information

Ensuring you have an efficient and effective meeting requires the Contract Manager to have all of the following information at hand to be able to review and discuss performance:

- KPIs/SLAs information
- Previous meeting Decisions & Actions
- Confirmed schedule of frequency (agreed dates and locations)
- Clear meeting objectives
- A confirmed meeting attendee list and agenda.

IMPORTANT!

- Are you clear about the performance measures in your contract?
- Are you clear about the frequency you should be meeting with key stakeholders to meet your obligations in monitoring contract performance?
- Do you have all the information you require prior to your first meeting to be able to track performance effectively?

If you answer '**no**' to any of these questions, you will not be able to carry out your obligations with regard to contract management and need to review your actions until you can answer '**yes**'.

2c) reviewing the validity of performance measures

Over the life of the contract, the Contract Manager should review the validity of the performance measures as they may require updating for a number of reasons, for example;

- Having obtained new insights into how the contract works
- The occurrence of significant organisational change from either party to the contract
- Amendment to, or introduction of new legislation

Regular reviews of the contract performance measures should be conducted. The following factors should be taken into account:

- Can the KPIs/SLAs be objectively measured? If not, can the contract be varied to ensure performance is measurable?
- Are the measures SMART – Specific, Measurable, Actionable, Realistic and Time-based?
- Does the performance process drive better contract outcomes, or is it performance management for the sake of performance management?
- Is the data easily available, or will additional methods need to be implemented?
- If there are instances of underperformance, is there an agreed process for addressing the poor performance, or escalating continued performance issues?

If necessary, amend the contract through a contract variation (refer to the Procurement Policy and Contract Variation Form) to include the updated KPIs/SLAs.

2d) managing unsatisfactory performance

When a supplier's performance is unsatisfactory, the Contract Manager should not wait for problems to escalate before taking action in accordance with the performance management and dispute resolution process in the contract.

Contract disputes are considered high risk and should be referred to Corporate Legal by the Contract Manager.

The options that may be considered to manage unsatisfactory performance are shown in the table below:

Option for managing unsatisfactory performance	Description
Informal discussions	Involves senior management from both parties participating in face-to-face discussions or written communications. Addressing performance this way can avoid damaging the relationship with the supplier by preventing the need to escalate the issue.
Service Credits	May be sought as a result of a supplier failing to meet KPIs/ SLAs.
IMPORTANT - The following options can only be approved by Corporate Legal	
Issue a default notice	This option may be considered when a default event occurs. It includes the requirement for the supplier to provide a plan identifying how it plans to resolve the issues, which is monitored by the Contract Manager / Champion
Dispute resolution	This option includes methods such as negotiation, arbitration and mediation. These can be facilitated by an external third party.
'Step-in'	This option is where Ahpra or an external supplier takes temporary control over the service delivery until the original supplier resolves significant or repeated problems or issues. This includes the requirement for the supplier to provide a plan identifying how they plan to resolve the issues.
Termination of contract	This option may be considered appropriate in the instance of serious, repeated or significant breaches of contract.
Litigation	Where all other appropriate alternatives have failed, legal action may be initiated to have a dispute formally resolved in court.

The appropriate course of action taken by the Contract Manager will depend on the:

- **Criticality of the contract** – for example a breach of delivery for routine contracts will not significantly affect Ahpra's business, whereas a breach of contract for strategic contracts may have a larger impact to the National Scheme, requiring more significant action.
- **Significance of the breach** – for example a minor non-compliance may be addressed through informal discussions, whereas a significant breach may require more extensive mitigations.
- **Availability of alternatives** – for example, if there is no other supplier readily available to deliver the contract, Ahpra will be unable to terminate or 'step-in'.
- **Potential damage to the supplier relationship** – unnecessarily severe action which is disproportionate to the performance issue could damage an important strategic relationship.
- **Legal advice** – where Corporate Legal has advised that a course of action is appropriate.

Where action is taken, the Contract Manager is to monitor the progress of the chosen course of action to ensure that the non-performance is remedied. If, (after monitoring for a reasonable period), it is apparent that non-performance is still occurring, the issue should be escalated further to Procurement / Corporate Legal for advice in accordance with the escalation process in the contract or Contract Management Plan.

If in doubt about any of the options for managing unsatisfactory performance, consult a member of Procurement for advice.

2e) managing complaints / disputes

Proactive contract management and a positive vendor relationship to issues resolution can prevent disputes occurring.

Formal dispute resolution should be a last resort option and appropriate actions should be taken by the Contract Manager and Contract Owner to address issues as they arise.

The Contract Manager must follow the process established under the contract for addressing complaints and managing disputes after receiving advice from Corporate Legal.

In circumstances where a complaint is raised, the Contract Manager should liaise with the supplier's representative to resolve the issue in alignment with the contract terms and conditions. Some complaints may be resolved easily through direct contact with the supplier's representative and prove more effective than harsher performance management alternatives.

In circumstances where the Contract Manager is unable to resolve the complaint, it should be escalated in accordance with the terms and conditions of the contract.

In conjunction with the process set out in the contract for addressing complaints and managing disputes, the Contract Manager should:

- Engage the supplier in open, transparent and constructive conversation outlining the issue
- Give the supplier an opportunity to explain the cause or nature of the non-performance or non-compliance
- Work with the supplier to develop a solution to address the issue
- Seek assistance from Subject Matter Experts (SMEs) to ensure the agreed plan is suitable
- Escalate the issue if the scope is outside the Contract Manager's authority.

IMPORTANT!

- Ensure regular, constructive feedback is given to suppliers on their performance.
- Ensure there are formal performance reviews with suppliers, with documented improvement plans agreed where necessary, covering both operational issues and adherence to key contractual requirements (for example - data security).
- Ensure contractual terms around termination are understood and monitored by the contract manager.

If a complaint / dispute arises:

- Engage the supplier in open, transparent and constructive conversation outlining the issue (if an issue arises)
- Give the supplier an opportunity to explain the cause or nature of the non-performance or non-compliance
- Work with the supplier to develop a solution to address the issue
- Seek assistance from SMEs to ensure the agreed plan is suitable
- Escalate the issue if the scope is outside the Contract Manager's authority.

3 - Contract administration

Contract administration can range from general oversight for a routine contract through to significant contract administration activity requiring dedicated resources for strategic agreements.

Payment to suppliers should be made in accordance with the Procurement Policy and where:

- A valid tax invoice for contracted goods and / or services has been received
- Following receipt of a correctly submitted invoice from the supplier within the agreed timeframes
- When the Contract Administrator is satisfied that the provisions of the milestones or deliverables have been met
- Where the payment amounts are validated and in accordance with the contract
- When the necessary internal authorisations (under financial delegations) have been received.

Approved payments should not be delayed unnecessarily. This can undermine the relationship with the supplier, have a negative financial impact (e.g. additional interest) and breach the terms of the contract. The Policy sets a requirement for payment to be made within **30 days from the date of the invoice**.

Change of Contract Manager/Contract Owner/Directorate during life of the contract

There may be instances during the life of the contract where a handover of the contract between teams, directorates or individuals is required. In cases where this occurs, the Contract Handover Checklist should be completed by the Contract Manager who is transitioning out. This will include a handover meeting between the Ahpra team members taking on the active contract as well as with the supplier to introduce the new Ahpra team members they will be dealing with moving forward.

IMPORTANT!

- The Contract Manager must monitor the contract spend throughout the contract lifecycle to ensure the contract remains on budget.
- The records of contracts, including supplier name, ABN, account manager information, pricing schedule should be maintained and updated in the Contract Management System throughout the lifecycle.
- Payments should be made on time (in accordance with the Procurement Policy) to avoid damaging supplier relationships.
- Payments should only be authorised by the responsible financial delegate.

4 - Risk Management

Risk management is the responsibility of the Contract Manager. Risks should actively monitored and managed throughout the life of the contract.

Risks most commonly arise from these failures:

- Contract Manager did not appoint sufficiently skilled / experienced staff to support contract management activities
- Suppliers failing to deliver agreed goods / services on time and to the agreed quality standards
- Suppliers attempting financial exploitation through claimed changes in circumstances and / or requirements
- A poorly managed supplier relationship resulting in differing or conflicting expectations.

IMPORTANT!

- At the beginning of the contract, a risk assessment form must be completed to evaluate the level of risks. For contracts with more significant risks, a separate Risk Plan may need to be developed and periodically reviewed and updated throughout the life of the contract. Risks identified should be documented in a register, assigned to a staff member and revisited periodically.
- Risk reviews can be incorporated into the regular performance review meeting to ensure they remain up to date.
- An escalation process should be put in place, with all high to extreme risks reported to the contract owner, procurement and legal to action.

5 - Managing contract variations

During the contract lifecycle, circumstances may require the contract to be varied. Refer to the Procurement Policy for conditions that apply.

Approval for a contract variation must be requested through the contract management system.

IMPORTANT!

- Before a contract is extended or renewed, value for money must be assessed.
- Any variations, extensions or renewals must be carried out in accordance with the Procurement Policy and Ahpra’s Instrument of Delegation which contains financial delegation thresholds for approvals.
- Any changes to contract terms and conditions must be reviewed by Corporate Legal.
- The Contract Administrator should document any information related to contract extensions, renewals and variations.

Contract Management Phase Summary of Requirements

Contract Management Phase		Transactional Contract	Leveraged Contract	Focused Contract	Strategic Contract
1.	Building and maintaining supplier relationships	Recommended	Recommended	Required	Required
2.	Managing contract performance	Recommended	Recommended	Required	Required
3.	Contract administration	Required	Required	Required	Required
4.	Risk Management	Not required	Recommended	Strongly Recommended	Required
5.	Managing contract variations	Required	Required	Required	Required

3. Contract close

Definition

Contract close is the step for ensuring that contract obligations and liabilities with the supplier have been completed. It may also include transitioning to another supplier for the good and/or services.

Templates and tools

Resources you will require for the contract close out phase:

- Final performance review template
- Lessons learned template
- Access to any relevant audit reports (consult Organisational Risk & Resilience)

General guidance

The contract close out phase encompasses three key activities:

1. Final performance review
2. Lessons learned
3. Contract completion / transition

1 - Final performance review

The following should be taken into consideration as part of the review:

- Whether the contract achieved its objectives
- The supplier's performance
- Customer performance
- Satisfaction of the users
- Contract variations
- Contingent costs
- Any disputes and resolution
- Value for money
- Weaknesses in planning, management and procedures
- Audit reports

2 - Lessons learned

Lessons learned from contract management activities serve three important purposes:

- Review and reflection on contract successes, delivery and failures support a continuous improvement approach and uplifts the capability of Ahpra staff involved in future contract management
- By sharing this information with Procurement, Ahpra is able to capture important business intelligence (corporate knowledge) that informs future risk management strategies and supports business continuity with staff turnover.

The recommended approach is to organise a meeting with Ahpra staff who were involved in the management of the contract. The Contract Manager should appoint an attendee to document the discussion so this information can be shared with Procurement and stored.

The effectiveness of the session will be dependent upon the contract management discipline applied throughout the life of the contract. Where diligence has been demonstrated, important data and information identified during the contract management phase (section 2 of this Manual) will have been captured so it can be analysed. (For example, previous meeting Decisions & Actions, meeting Agendas, KPIs, SLAs etc.)

The session should focus on the:

- Relationship between the supplier and key stakeholders
- Overall performance of the supplier in delivering the contract
- Overall performance of the team managing the contract
- Suitability of the contractual documentation, performance management regime and specifications
- Ahpra's performance in the management of the contract
- Benefits realised versus expectations.

3 - Contract completion / transition

A contract may be considered closed under a variety of circumstances:

- When all obligations under the contract have been fulfilled
- The contract expires
- The intention to complete an agreement has been frustrated by events beyond all parties' control
- The refusal or inability to complete a fundamental condition of the contract by either party results in a breach, allowing for the ending of the contract, OR
- All parties agree to end the contract.

The majority of contracts will close when they have been fulfilled or expired.

IMPORTANT!

- Before a contract is completed or expires, the Contract Manager will need to assess whether there is an ongoing need for the goods and / or services delivered under the existing contract.
- The Contract Manager should set a pre-defined point at which to commence a new procurement activity.

- Prior to the close-out of the contract, the Contract Manager should conduct a final performance review. The depth and details of the review process will vary depending on the contract. Where appropriate the Contract Manager should provide all or part of the feedback from the contract review to the other contracted party. This will enable future arrangements to better meet the needs of customers.
- Managing transition by developing a new communication plan, identify stakeholders, both internally and externally who may be impacted by the changes, and update internal processes or procedures with any changes required under the new contract
- Confirm that all contract deliverables or transition out tasks have been delivered or met by the outgoing supplier
- Arranging for the return of all Ahpra equipment and assets
- Obtain all final reports, documentation and clearances from the supplier
- Ensure all access rights and security passes for supplier staff are terminated
- Finalise all final payments under the contract in accordance with the Procurement Policy.

Contract Close Phase Summary of Requirements

Contract Close Phase		Transactional Contract	Leveraged Contract	Focused Contract	Strategic Contract
1.	Final performance review	Not required	Recommended	Recommended	Required
2.	Lessons learned	Not required	Recommended	Recommended	Required
3.	Contract completion / transition	Required	Required	Required	Required

Appendices:

Appendix A: Contract Management Phase - checklists

Appendix B: Contract Management Lifecycle – overview of requirements

Document control

Approval Authority	National Executive
Manual Owner	Chief Financial Officer
Responsible Officer	Director, Financial Control & Procurement
Date Approved	14 October 2020
Date Commenced	1 March 2021
Date for Review	July 2024
Sections modified	<ol style="list-style-type: none"> 1. New Manual to respond to Deloitte Audit findings - 2020. 2. Manual updated to align to the introduction of the new Contract Management System - 2023

Appendix A: Contract Management phase - checklists

Transition phase – checklist:

Steps	Key actions	Status (complete / incomplete)
Assigning roles and contract establishment	Has the Contract Owner appointed a Contract Manager and Contract Administrator? (Refer to the Contract Management RACI in the Procurement Policy)	
	Has the Contract Manager been supplied with all the documents required to facilitate effective contract management? (Contract / supplier's proposal / Contract Implementation Plan / Payment terms / insurance and securities / KPIs / Service Level Agreements and performance measures?)	
	Has the scope and expected outcomes of the contract been reviewed?	
	Has Procurement / Contract Manager completed the Contract Establishment Checklist prior to contract commencement?	
	Has the contract been registered in the Unit4 Contract Management System?	
	Has the Contract Establishment Checklist been uploaded to the Unit4 Contract Management System?	
Finalising the Contract Management Plan	Does the Contract Management Plan cover all 10 commandments as outlined above?	
	Does the Contract Management Plan clearly articulate who is involved in relationship management activities with suppliers to ensure the effective monitoring of targets, KPIs and SLAs?	
Records Management Security	<p>Have you uploaded the following documents to the Unit4 Contract Management System?</p> <ul style="list-style-type: none"> • Signed contract • Bank guarantee (if applicable) • Insurance certificates • Scope of work (if separate to the signed contract) • Proposal / tender response • Tender documents issued by Ahpra • Contract Management plan (where applicable) 	
Initial meeting	Has the Contract Manager organised an initial meeting with the Supplier to run through expectations and desired contract outcomes? (Check with Procurement whether this is required for your contract)	
	Are all parties clear about communications, reporting, performance and escalation pathways if there is an issue with the contract or delivery of goods and /or services?	
	Has the Contract Manager provided a copy of the meeting minutes to the Supplier for their own records?	

Contract management phase - checklist

Steps	Key actions	Status (complete / incomplete)
Contract Performance Management	Have you updated and reviewed all the following information before you start the contract performance meetings with suppliers? <ul style="list-style-type: none"> • KPIs/SLAs information • Previous meeting Decisions & Actions • Confirm meeting frequency, date and location • Set meeting objectives • Develop meeting attendee list and agenda • Develop meeting materials 	
	Are you clear about the performance measures in your contract?	
	Are you clear about the frequency you should be meeting with key stakeholders to meet your obligations in monitoring contract performance?	
	Do you have all the information you require prior to your first meeting to be able to track performance effectively?	
	Have you regularly reviewed the KPIs/SLAs to ensure they are SMART - Specific, Measurable, Actionable, Realistic and Time-based	
	In circumstances where the complaint and disputes can't be resolved, have you escalated in accordance with the terms and conditions of the contract?	
Contract Administration	Have you regularly reviewed the records of contracts, to ensure supplier name, ABN, account manager information, pricing schedule should be maintained and updated throughout the lifecycle?	
	Have you checked all the goods or services have been received in accordance with the contract before approving the payment?	
Risk Management	Have you actively monitored and managed the risks throughout the life of the contract?	
Contract Variations Management	Have you talked to procurement team to discuss the options for contract variations, extensions or renewals?	
	Have you engaged Corporate Legal to review the contract terms and conditions before signing anything?	

Contract close out phase - checklist

Steps	Key actions	Status (complete / incomplete)
Final performance Reviews	Has the supplier been notified in writing about the contract closure/termination in accordance with the contract terms?	
	Have you conducted the final contract performance review with the supplier in consideration of the following? <ul style="list-style-type: none"> • Whether the contract achieved its objectives • The supplier's performance • Customer performance • Satisfaction of the users • Contract variations • Any disputes • Budget versus actual spend • Weaknesses in planning, management and procedures • Audit reports 	
Lessons learned	Have you documented the lessons learned and shared with procurement team?	
Contract close	Have all the outstanding disputes been resolved?	
	Have you obtained all the final reports, documentation and clearances from the supplier?	
	If a contract needs to be put in place, have you engaged procurement team to seek advice?	

Appendix B: Contract Management lifecycle overview of requirements

		Transactional Contract	Leveraged Contract	Focused Contract	Strategic Contract
Phase 1 - Transition	Confirm Contract Management roles	Required	Required	Required	Required
	Finalise Contract Management Plan	Not required	Recommended	Required	Required
	Contract establishment	Required	Required	Required	Required
	Create new supplier, or update existing supplier, in Unit4	Required	Required	Required	Required
	Finalise Contract Implementation Plan	Not required	Not required	Strongly Recommended	Strongly Recommended
	Set-up information management structure	Required	Required	Required	Required
	Conduct kick-off meeting	Not required	Recommended	Strongly Recommended	Strongly Recommended
	Building and maintaining supplier relationships	Recommended	Recommended	Required	Required
Phase 2 - Contract Management	Manage performance	Recommended	Recommended	Required	Required
	Contract Administration	Required	Required	Required	Required
	Risk Management	Not required	Recommended	Strongly Recommended	Required
	Manage contract variations (includes extensions and variations)	Required	Required	Required	Required
Phase 3 – Contract completion	Final performance review	Not required	Recommended	Recommended	Required
	Lessons learned	Not required	Recommended	Recommended	Required
	Contract completion/transition	Required	Required	Required	Required